



**A Global Logistics Provider**

**November 13, 2014**

**Federal Maritime Commission  
800 North Capitol Street NW  
Washington, DC 20573-0001  
Attn: Karen V. Gregory- Secretary**

**RE: NPRM; Docket 13-05; Ocean Transportation Intermediary Licensing and Financial Responsibility Requirements, and General Duties.**

**Dear FMC Commissioners:**

**With respect J.W. Allen & Company, Inc., a duly licensed NVOCC (069NF) and Freight Forwarder, do hereby submit our comments concerning the subject matter before the Commission.**

**As sitting members of the NCBFAA's Transportation, Forwarding, and Education Committees we are familiar with issues raised in this NPRM and are very concerned with some of the proposals being presented.**

**It is proposed to require OTI licenses be renewed online triennially in part to address issues of non-compliant licensees not updating the Commission of changes to their organizations. There are existing regulations mandating the Commission be informed of any changes to corporate structure, officers and directors, headquarter or branch office locations. While there may be OTI's who have not complied to these requirements certainly this is a minority of those so licensed. Enforcement of the current regulations is key to bringing the non-compliant into compliance and would prove effective in resolving delinquencies.**

**Currently OTI licenses are not term limited and action to suspend or revoke them can be taken only for limited or extraordinary reasons. It is our opinion, although it may not be the Commissions intent, under the NPRM as written should licenses become term limited renewals could be declined for almost any reason including the mere existence of a pending enforcement case. When such a policy lends itself to interfere with the license renewal**

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process then that policy could potentially have a significant and unintended negative effect on an OTI's ability to legitimately provide service. Additionally, if there are any pending actions against the OTI, such as carrier or shipper claims or BOE investigations, it's unclear whether any of this could put a license renewal, and thereby the company's license, at risk.

It is strongly felt new regulations are unnecessary and the required reporting of any changes could be better handled by mandating a report be filed electronically via the Commissions website on a triennial basis without the need for license renewal to be part of the process. Respectfully it is also requested the Commission consider the impact such proposed regulations would have on it's staff and budget, and their ability to timely process applications.

This Company supports the elimination of the requirement for additional \$10,000.00 bonds for each branch office as being unnecessary and unduly costly. Elimination of this requirement would make smaller company's more competitive by reducing their cost of operations and administration inasmuch as it would be necessary to continually amend bonds each time an office is opened, closed, or relocates. Implementation of this rule would not provide any quantifiable additional protection to customers or other potential claimants so Commissioners are urged to forego this proposal.

Regulatory restrictions proposed in section 515.31(j) regarding advertising are in our opinion too broad in scope. By necessity NVOCCs and ocean freight forwarders (OFFs) daily work with a assortment of third party service providers; e.g.: domestic truckers, consolidators, break bulk carriers, warehouses, craters, etc. As written the proposals current wording could be interpreted as barring those companies from advertising. Therefore if a new regulation is necessary, which is in question, it should be written so it applies only to companies that are holding out to provide complete OTI services rather than those acting solely as a service provider for OTI's. For some of these service providers it would be very difficult, if not impossible, for them to obtain an OTI license or registration as they do not themselves actually book cargo or provide all of the functions of NVOCCs or OFFs. If at the end of the day the FMC is attempting to address problems with those companies engaged in moving household goods in the so-called barrel trade, it is unclear why the Commission is not addressing those issues more succinctly rather than enacting new and unnecessary regulations on regular, full service commercial OTIs.

The proposal requiring Sureties to provide notice of pending claims or lawsuits against regular commercial OTI's is very concerning and urge the Commission to drop this from the NPRM. Such notice would unfairly project the image a company is "guilty until proven innocent". Historically such claims have had little or no merit and release of this information by any means could negatively affect a company's reputation thereby threatening its business and viability. Even though the Commission may add a disclaimer to the published notice advising it is making no judgment as to the truth of the allegations, this in no way protects OTI's reputations and businesses from unintended or misplaced bias.

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Once more it must be observed if the FMCs goal is to address problems with those companies operating in the household goods moving trade it is unclear why the Commission does not address those issues more directly.

This company wholeheartedly supports the NCBFAA's suggestion the Commission eliminate the need for OFF's to issue certifications to carriers of their entitlement for forwarder compensation. This proposal serves no clear purpose and only adds an unnecessary process increasing cost to the OTI's operations.

There are a number of initiatives we urge the Commission to consider in order to eliminate unnecessary regulatory burdens or to otherwise facilitate the role of OTIs in the movement of cargo shipments.

1. Elimination of OTI rate tariff publication in order to avoid any procedural requirements.
2. Elimination of the need to file NVOCC Service Agreements ("NSAs") or publish their essential terms.
3. The FMC should require VOCCs to file their contingency plans with the Commission, perhaps on the Commission's website, so the trade could be better advised of their plans in the event there is advance knowledge of severe weather or labor issues that could lead to significant service disruptions.
4. The Commission could work with the FMCSA to establish a common bond for OTIs and motor carrier property brokers, which would further reduce the financial burden on intermediaries.

With respect we thank the Commission for their time taken to review our comments on this matter.

Sincerely yours,



W.J. Yennie  
Vice President- Exports/ NVOCC  
J.W. Allen & Co., Inc.

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